Exploring the relationship between corporate reputation and the public's crisis communication on social media

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ABSTRACT

Among traditional crisis communication research, the public is often treated as passive receivers of firm-dominated crisis communication. Social media has changed the situation since the public have now become senders and engage in secondary crisis communication (SCC) that affects corporate crisis management. However, our understanding of the mechanism of SCC on social media is still limited. This study aims to reveal how the public engages in the decision-making process related to SCC from a social control perspective by critically considering the broadcasting and social network functions of social media. Our research hypotheses were supported by a survey conducted after a real crisis in China. The results indicate that cognitive reputation results in SCC by causing the public to feel morally violated, and that such feelings of violation lead to individuals being more likely to engage in SCC given the perception of support for their opinions on social media. Thus, this research provides a better understanding of SCC from the public's perspective in the context of social media.

1. Introduction

On July 20, 2014, KFC, McDonald's, Pizza Hut, Papa John's, Burger King, and Starbucks were exposed for using expired meat in China. The scandal quickly became the most viewed topic on Weibo, the biggest social media platform in China. The crisis message was forwarded more than 30,000 times within 24 h, with nearly 27 million people contributing to the discussion (Zhou & Hu, 2015). As the two top fast food retailers in China, KFC and McDonald's received serious criticism; a large proportion of the public shared and forwarded the crisis information on social media. Some even wrote on Weibo that KFC and McDonald's should get out of China. Consequently, KFC's and McDonald's' sales and stock prices plummeted (Sina, 2014).

This example not only shows how firms suffer from product-harm crises, but also demonstrates that social media has enabled the public to participate actively in crisis communication. Such intense and negative crisis communication among the public has the potential to create broad and profoundly negative effects for firms in crises; it also challenges firms' ability to recover from a crisis (Shi, Rui, & Whinston, 2014). Compared to *traditional crisis communication*, which refers to firms communicating their crisis response to the public and other stakeholders (Benoit, 1997; Seeger, 2006), crisis information communicated among and by the public is defined as *secondary crisis communication (SCC)*: the public disseminate crisis information and post negative comments about firms in crisis (Coombs & Holladay, 2014; Schultz, Utz, & Göritz, 2011). Previous crisis communication research often considered the public to be passive receivers of firms' crisis communication, investigating how firms should respond to the public and how crisis communication influences the public's behavior (Avery, Lariscy, Kim, & Hocke, 2010; Laufer & Coombs, 2006). Recent crisis research has

noted that the broadcasting functions and social network services enabled by social media technology have empowered the public to become senders of crisis-related information and so to actively engage in SCC (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011; Shi et al., 2014). However, knowledge about how the public engage in SCC in social media context is limited. Therefore, the main purpose of this study is to deepen our understanding of SCC in social media context and to explore SCC mechanisms from the perspective of considering the public as senders of information. Thus, we hope to shed new light on crisis communication management in the social media context.

Prior research has suggested the importance of corporate reputation crisis management (Caruana, Cohen, & Krentler, 2006; Keh & Xie, 2009). Combining crisis research and social media studies, the research question of this study is: how does corporate reputation impact SCC in a social media context? In order to answer this question, we first draw on social psychology research and explore the mechanism of SCC from a social control perspective; second, we examine the effect of corporate reputation on SCC through perceived violation; third, based on communication research, we examine the effect of how the opinion climate that the public perceive on social media shapes their crisis communication behavior. By conceptualizing the effect of social media context, we contribute to knowledge about the public's secondary crisis communication in a social media context and aim to assist firms' crisis management to improve the evaluation of secondary crisis communication undertaken by the public.

2. Literature review and hypothesis development

2.1. SCC from a sender perspective on social media

Crisis communication has long been a hot topic in public relations and communication research. In analyzing crisis communication research from 1992 to 2011 in public relations and business journals, Ha and Riffe (2015) suggested that existing crisis communication research often took a firm-oriented perspective and focused largely on the effects of crisis management and recovery management strategies. The public were often considered as passive receivers of firm-dominated crisis communication. However, the advent of social media has changed the public's role from passive receivers to active content creators and opinion generators (Shi et al., 2014; Utz, Schultz, & Glocka, 2013). Social media technology facilitates SCC diffusion by allowing the public to freely forward and post negative comments about a firm in crisis, and empowers SCC to have a significantly negative impact on firms, such as significant drops in share price, and market share loss (Coombs & Holladay, 2014). The most distinct characteristic of SCC in a social media context is the capacity for greater speed and volume (Noguti, Lee, & Dwivedi, 2016). Before the proliferation of social media, the dissemination of the public's negative opinions in crisis situations took more time and was diffused due to restrictions of time and space. On social media platforms, however, SCC can be formed and propagated via thousands or even millions of people within hours, a phenomenon Pfeffer, Zorbach, and Carley (2014) termed "an online firestorm". As such, crisis managers can no longer afford to ignore the fact that social media has profoundly strengthened the voices of the public, and that SCC consequently magnifies the effects of product-harm crises (Lee, Oh, & Kim, 2013; Lyon & Montgomery, 2013; Phang, Zhang, & Sutanto, 2013).

Given its potential negative impact on firms, researchers have shown a keen interest in the public's crisis communication on social media. For example, Kaye (2005) identified six primary motivators of the public's social media use: information seeking and media checking, convenience, personal fulfillment, political surveillance, social surveillance, and expression and affiliation. Taking a narrower focus, Liu, Jin, and Austin (2013) demonstrated that the public use social media during crises in order to interact with others and get unfiltered, timely, and in-depth communication. Their social-mediated crisis communication model (SMCC) describes the interaction between an organization experiencing a crisis and the public who produce and consume crisis information via social media, traditional media, and offline word-of-mouth communication (Austin, Liu, & Jin, 2012; Jin & Liu, 2010). The model further describes how social media directly and indirectly distributes information (Liu et al., 2013). However, how the public engage in SCC and how social media technology affects SCC mechanisms remain largely unexplored.

Recent social media research has revealed that the essence of social networking sites simultaneously includes both a broadcasting service and a social network (Shi et al., 2014). The coexistence of a broadcasting service and a social network has endowed SCC with new characteristics in a social media context. Firstly, a social broadcasting service enables the public to freely share crisis information with any number of peers (Wu, Hofman, Mason, & Watts, 2011). According to social psychology research, the broadcasting of negative comments about a firm in crisis has been subsumed under the term *social control*, where the public express their disapproval of a deviant behavior (Brauer & Chekroun, 2005). Social control is considered helpful in regulating members' social behavior (Enquist & Leimar, 1993). The broadcasting service functionality has enabled SCC on social media in ways that drastically influence firms' crisis management. Thus, SCC actually works as a form of social control by punishing a firm in crisis and warning other firms outside the crisis (Wetzer, Zeelenberg, & Pieters, 2007). In this study, we propose that understanding SCC from a social control perspective can help us develop a more dynamic understanding of how corporate reputation interacts with SCC.

According to social psychology, people disseminate negative opinions towards deviant behavior and thus enact a kind of social control meant to regulate behaviors (Brauer & Chekroun, 2005). Social psychology research has suggested that the likelihood of people exerting social control depends on the extent to which the 'deviant' company is perceived to have violated expectations (Brauer & Chekroun, 2005). The more serious the extent of the perceived violations, the greater the likelihood that people will express disapproval (Brauer & Chekroun, 2005; Chekroun & Brauer, 2002). The crisis literature has also suggested that the public spreads negative opinions in response to feeling violated so as to take revenge (Wetzer et al., 2007). Accordingly, in this study, we hypothesize that the public perceptions of high violation in a product-harm crisis are more likely to promote negative comments on a broadcast platform.